

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CASE NO. 1:19-cv-06982-LLS

COMMAND ARMS ACCESSORIES, LLC
And CAA INDUSTRIES, LTD.

Plaintiff,

vs.

ME TECHNOLOGY, INC.,

Defendant.

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DECLARATION OF MICHAEL HARTMAN

1. My name is Michael (Mikey) Hartman. I am the CEO of the defendant, ME Technology, Inc. From 2014-2016, I was the CEO of the plaintiff, CAA Industries, Ltd. During the year 2016, I was the CEO of both companies. Throughout this Declaration, I will use the terms for the companies that are generally used by their officers and employees, e.g., ME Technology will be referred to by its d/b/a—"CAA USA." CAA Industries, Ltd. will be referred to as what I understand to be its d/b/a, "CAA Israel". The two companies collectively will be referred to by the name we always called the combined company, "CAA."

2. I was born in the United States and have dual citizenship, the United States and Israel. I joined the Israeli Defense Force ("IDF") in 1988 at the age of 19. By 1993, I was promoted to be the commander of the marksmanship division of the IDF. In that position, I rewrote the entire marksmanship training doctrine for the IDF. I was awarded numerous citations during my 22 year IDF service including the highest honor from the chief of staff of the entire Israeli army (1996). In 2005, I was promoted to Lieutenant Colonel and served as the Commander of sharp shooting, marksmanship and light machine guns division of the IDF. In that

position, I was responsible for training the entire IDF military with use of personal and sharp shooting weapons and light machine guns. I also founded and headed IDF Marksmanship and Sharpshooting School, which trains all of the shooting instructors of the IDF. In that role, I trained more than 500,000 IDF soldiers (as well as several thousand US soldiers) in shooting skills. I held those position until I retired from the IDF on December 31,2009. For ease of reference, I attach a copy of my biography. Ex. 1. I am also a well-known inventor and innovator in the firearms industry. Through Hartman Optics, I am the partial owner of several firearms-related patents whichh I invented (and now partially own along with Moshe Oz). The technique of the safety check of every rifle used by IDF's soldiers was written by me. I invented and implemented the device called Mek (from the word Mikey) Porek that every soldier is using for the safety check of the weapon. Ex. 2. That invention saved hundreds of lives in the IDF. You can see my initials MH on the device. I also invented the ZUES (Zero Under Eighty Seconds) Shooting Mattress in 2010. I have been featured in numerous magazines, newspapers, (Ex. 3) as well as TV shows. I also had the honor to being invited to the home of the Prime Minister of Israel. I'm also the only Jewish Israeli to ever be featured on the cover of Soldier of Fortune magazine. I have also written numerous articles in defense related magazines and am considered the father of Shooting Doctrine of the IDF.

3. I have known Moshe Oz for many years, going back to my time as commander of the IDF Marksmanship and Sharpshooting School, when Moshe Oz attempted to do business with the IDF. Also, CAA USA was my exclusive distributor when I was a CEO and part owner of MSE (optic company in Israel--2012-2013).

4. In January 2014, Moshe and Eldad Oz, who at that time were the majority owner of CAA Israel, hired me to be the CEO of CAA Israel as well as CEO of Hartman Optics.

5. It's important to understand the relationship between these two companies CAA Israel and CAA USA. Although they were legally independent, they were commonly owned, and we always acted as if we were one company. CAA Israel was the manufacturer, while CAA USA was the US sales and marketing operator, and generally provided the majority of CAA Israel's revenues.

6. I was the CEO of CAA Israel from February 2014 to December 2016. To show even more clearly that we acted as one company, I was appointed and served as CEO of both companies simultaneously for all of 2016. From mid-December of 2016 till present I have been the CEO of CAA USA only. Both companies were essential for the existence of each other and acted as such. During my time as CEO of Israel, Eldad Oz, Moshe Oz's younger brother, was the president of CAA USA.

7. In 2015, after Moshe and Eldad Oz sold 51% of their companies, CAA Israel and CAA USA, both companies undertook a rebranding effort with Dan Alexander & Co. Moshe Oz in his Declaration mistakenly claims that the rebranding of the company was done solely by CAA Israel. That would mean that I alone was in charge of the rebranding on behalf of the company, since at the time I was CEO of CAA Israel (not both companies, which came later). There could be nothing further from the truth. Eldad Oz, as the president of CAA USA, flew to Israel and ran point during the entire rebranding phase as well as the new website design, caagearup.com, which was done by a company called NG Soft. Eldad Oz ran point because the rebranding and the new website were essential to CAA USA. The final word in each phase of the rebranding and website design was always CAA USA, and not mine as CEO of CAA Israel. The

whole rebranding and new website efforts were directed at increasing our sales in the US market, through CAA USA. That is why CAA USA shared the payment for the rebranding. The two companies also shared payment for the development of the website.

8. Moshe Oz's declaration also states that CAA USA has used the various marks and trade dress developed by Dan Alexander as part of the rebranding efforts "with permission of CAA Industries to sell authentic CAA Industries' products." Oz Dec., ¶¶ 19, 22, 23. I was the CEO of CAA Israel in 2015-2016 when the supposed license to CAA USA would have been granted. There was no written or oral license granted by CAA Israel to allow CAA USA to use any of the new marks or trade dress developed by Dan Alexander. There was no need to grant any such license because CAA USA was an equal participant in the development of the new marks and trade dress, and at all times had equal rights to use those marks and trade dress along with CAA Israel. Moshe Oz¹ never instructed me to grant a license and I was not aware of any license existing before my time. The board of directors of CAA Israel never approved the granting of any such license. And I certainly did not grant any such license on my own, as there was no need for any license to CAA USA because it owned equally the rights to use the new marks and trade dress created by Dan Alexander & Co.

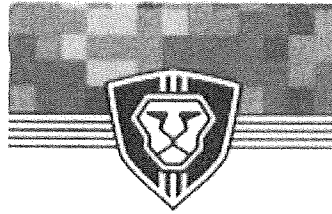
9. The ownership and control of the website is even more clearly illustrated by the GoDaddy.com registration information attached to the Oz Declaration as Exhibit 20. The registrant and administrator's name is listed as Eldad Oz, who was president of CAA USA. The registrant and administrator's address and phone numbers were CAA USA's address and number in Pompano Beach, Florida. The registrant and administrator's email was a CAA USA employee. There is nothing to indicate that CAA Israel had any involvement in the caagearup.com website.

¹ By this time, Moshe and Eldad Oz were minority owners of both CAA USA and CAA Israel, having sold 51% of both companies.

10. Moshe Oz's Declaration states that CAA Israel has been using the mark "GEAR UP" and the website caagearup.com since 2016 with permission from CAA Israel to sell authentic CAA Israel products. Oz Dec., ¶ 25. As stated in connection with the similar claim involving permission to use the rebranded marks and trade dress, I was the CEO of CAA Israel in 2016 when the supposed permission to CAA USA would have been granted. There was no written or oral permission granted by CAA Israel to allow CAA USA to use any of the mark GEAR UP or the new website. To the contrary, there was no need to grant any permission because CAA USA was an equal participation in their development and at all times had equal rights to use CAA GEARUP and the website. Moshe Oz never instructed me to grant permission. The board of directors of CAA Israel never approved the granting of any such license. And I certainly did not grant any such license on my own, as there was no need for any license to CAA USA. Also, in 1st QRT of 2018, , the CEO of CAA Israel, Tal Hermoni transferred full control of the caagearup.com website to CAA USA. Hermoni Declaration.

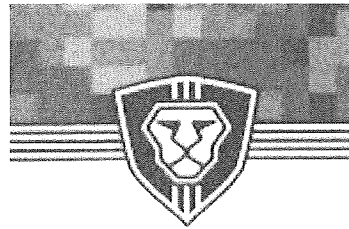
11. Also with regard to the website, November-December of 2018 we at CAA USA hired PIXEL, a website designer, to rebuilt and redesigned the entire website and created a brand new look and feel to enhance the user experience which increased sales and brand recognition. CAA USA solely paid \$15,000 for the new website. Ex. 4.

12. The fact that the rebranding effort was intended to benefit both companies and was in no sense a project done only for CAA Israel, the new business cards developed after the 2015 rebranding and development of the new website show the following:



CAA

GEAR UP



MIKEY HARTMAN

Chief Executive Officer

Chief Executive Officer

M 1 (954) 244-9520

M 1 (954) 244-9520

T 1 (954) 244-9520

F 1 (954) 244-9520

E mikey@caa-gearup.com

W www.caa-gearup.com

800 NE 12th Ave, Suite 400
Pompano Beach, FL 33062

The business card identifies me as working for “CAA” with the tag-line “GEAR UP.” It utilizes the new lion-head mark with the new multi-colored backing used in CAA trade dress. It identifies me as “Chief Executive Officer,” without specifying which company I was working for, i.e., CAA Israel or CAA USA. It has both my Florida and Israeli cell phone numbers as well on the card. And it gives my address as the Pompano Beach address of CAA USA, indicating it was issued after I transferred to CAA USA in late 2016. This card was produced by LOGO EXECUTIVE, a Las Vegas Company, and used by me with the full knowledge and approval of CAA Israel. All employees of both CAA Israel and CAA USA were using email signatures and business cards with the same marks and design. You could tell which company the employee represents only by checking the telephone numbers and the address.

13. Before I took over at CAA USA, CAA USA had been operating at a loss for many years and had a difficult time in gaining traction in the US market. Until I became the CEO of CAA USA, Moshe Oz was close to shutting down the US operations run through CAA USA. Moshe told my wife Rachel, before our relocation, during a party in his mansion in Rishpon that “if anyone can save CAA USA its Mikey”. During the time I ran both companies, in 2016, we were able to increase sales substantially in the US market, increasing sales more than 40%.

14. Unfortunately, being an employee, even CEO, working with Moshe Oz is quite difficult. Even though I was a partner of Moshe Oz and CAA Israel with Hartman Optics (I own 20%), I threatened to resign multiple times from the position of CEO of CAA Israel because of Moshe Oz's abuse and negative actions. Moshe Oz had a fist fight with his older brother David in front of employees who had to break up the fight (in the old Ashdod CAA building). In my presence, he has multiple times thrown office furniture in fits of rage. He verbally assaulted employees on what seemed like a nearly daily basis. As CEO of CAA Israel I implemented numerous actions to improve the quality of life of our employees such as "employee of the month", subsidized lunch for employees, new appliances, new look to the warehouse, new leased cars for high end employees, etc. Moshe Oz always looked down on any new idea I brought to improve the quality of lives of our workers.

15. As CEO of CAA Israel I had the unfortunate task of cleaning up the messes he created. Those tasks included repaying a one million shekel (approximately \$285,000) fine that Moshe Oz and CAA Israel received from the Israeli MOD (Ministry of Defense) branch responsible for defense export (EPPI) for illegal actions that they perpetrated a few years before I started as CEO. Ironically this same EPPI had ruled that the Roni was a restricted product and needed an export license. This was a big hindrance to CAA Israel logistically because of the time it took to receive each export license. I built a relationship with the Head of EPPI and invited him to our Offices in Kiryat-Gat Israel. Obviously Moshe was never present because of their past history and in the end I was the one who got the Roni unrestricted. My name is on the top of every letter they still send with the Ronis for customs exemption. I was also sent by the Oz brothers to clean up a violation with regards to the US government's allocation of funds in foreign aid that it provides to Israel. CAA Israel won a tender from the IDF under the stipulation

that the product would be built in the US. Moshe Oz violated that stipulation by incorrectly manufacturing the firearm grips in Israel. He then tried fooling the US government and the Israeli government by sending those fully manufactured and assembled firearm grips from Israel to CAA USA to try to establish the appearance that they were manufactured in the US. This action was done before my time as CEO Israel. These examples of his business practices show that his attempt to portray himself as well-respected business leader in the firearms industry is totally untrue and nothing could be farther from the truth.

16. In the middle of 2016, I reached out to Eldad Oz who was in Israel and told him that I could no longer work with his brother Moshe Oz. I told him there are two options: one, I quit, or two, I move to the sister company CAA USA and work as its CEO full-time, putting the Atlantic Ocean between myself and Moshe Oz. It took less than 2 seconds for Eldad Oz to shake my hand and offer me the job as full-time CEO of CAA USA. One of the reasons the timing was so good was that Eldad Oz himself wanted to leave the firearms industry, so this was a perfect opportunity for him.

17. The CEO who replaced me at CAA Israel was a retired Colonel from the IDF, named Tal Hermoni. Tal and I worked hand and hand for the next year and a half trying to improve every aspect of the connection between our two sister companies, to streamline the processes and increase profits.

18. As I stated, up until 2016, CAA USA was running at a loss and was not able to be profitable. My job was to build CAA USA into a respectable company. This was very challenging because the reputation of CAA USA was worse than terrible. When I started my job in the US, I went to visit firearms stores in America and on more than one occasion when they

heard I was from CAA USA they asked me to leave the store. I cannot emphasize enough the obstacles that we had to deal with, but we were able to turn things around.

19. At CAA USA we were very fortunate to build the brand Mirco Roni with content we created and paid for with our marketing budget. Prior to CAA USA and my efforts, the original RONI conversion kit achieved very limited sales in the US. After the Micro Roni was introduced in 2016, it also lagged in sales until CAA USA's marketing efforts. We were able to create video content that did over one hundred million views in 2017-2018! We created brand awareness and built sales for a product that was not selling prior to the content we created. Some examples of the content we created or promoted included:

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https://m.youtube.com/watch?feature=share&v=4Yf605_4lsg, posted on December 24th, 2016, was done by Burst Review, a review on the CAA Micro Roni after the reviewer attended a media event and spoke with Mikey Hartman on the advantages of the CAA Micro Roni in a tactical environment (LEO/MIL) (see attribution beginning at 7:01). The video has had 186.5 thousand views on YouTube.

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<https://www.facebook.com/hartmanil/photos/a.976180332466545/1345001355584439?type=3&sfns=mo>, posted in March 2017. This Facebook post received _____ hits.

--On March 22, 2017, Rated Red posted a video on Facebook with an interview of me from the SHOT Show 2017, promoting the Micro-Roni. This video received 17.1 million views.

--March, 2017, Colion Noir from NRA TV interviewed me regarding the Micro-Roni.

The video can be found at

<https://www.facebook.com/caaupgrade/videos/1410463645652418/>. NRA TV has an estimated 8 million subscribers.

--A similar interview of me was done in February 2018 by Michael Bane of "Shooting Gallery," which aired on the Outdoor Channel.

<https://www.facebook.com/100000409538817/posts/1840715782618722?sfns=mo> The Outdoor Channel is a television channel that reaches millions of viewers.

--I was interviewed by Rated Red discussing the Micro-Roni in a video posted on Facebook on April 2, 2018.

<https://www.facebook.com/hartmanil/videos/1299730056778236/> This video has had 1.7 million views.

<https://www.youtube.com/watch?v=e6MzAWciAgo> Here you can see CAA USA's marketing innovative thinking in comparing "Micro Roni" to "macaroni."

20. As a result of my (and my team that includes more than 60% minorities) marketing efforts, as the CEO of CAA USA, demand for CAA products, and particular the Micro Roni, skyrocketed. Eldad Oz, who was the president and until 2015 sole owner of CAA USA from the beginning, stated to me multiple times that what I did here in CAA USA was nothing short of a miracle and that I succeeded in one year doing what he could not in 7 years. Moshe Oz was also well aware of, and appreciative of, this phenomenal marketing success. Ex. 5 (WhatsApp, March 25, 2017)

21. We were able to increase our sales and payments to CAA Israel by a multiplication of 3! Between October 2017 and March 2018, CAA USA had our best 6 months financial performance in the company's history, improving from \$120,000 per month in sales to

over \$700,000 a month. Similarly, our monthly payments to CAA Israel also increased from \$70-80,000 to \$350,000

22. Unfortunately, the increased income that we were supplying to CAA Israel was not enough to get it out from under the huge debt that it had accumulated because of decisions Moshe Oz made. Moshe purchased an injection mold company called Inject, as well as established a new, high-end but unnecessary office in the middle of Israel. CAA Israel has lost both the Inject company and the expensive office because Moshe Oz did not pay the bills. Also there was Moshe Oz's extravagant lifestyle, with multiple cars, multiple drivers, disproportionately high salary, and expensive rent all paid by the company, amounting to approximately 200K Shekel (\$56.5 thousand) a month, which was 10% of all of CAA Israel's revenue (not profit). This is unheard of. When I approached him on this sensitive issue he screamed at me that he is the owner (even though he had already sold 51%) and he will do whatever he wants with the money because it's his. He then stormed out of my office slamming the door. This outburst was done in front of witnesses. This excessive behavior by Moshe continued into the new CEO's (Tal Hermoni) tenure. Those bad decisions cost CAA Israel millions. And, along with failing to pay taxes on the employees' salaries, and not paying social security and disability benefits to some of the workers, also caused a great amount of the workers to quit and to pursue legal actions against CAA Israel under Moshe's lead. Thus, when Moshe Oz argues that CAA USA caused CAA Israel to lose money and lose workers, it is completely untrue.

23. During 2017 and 2018 and because of the personal friendship between myself and one of the owners, Eldad Oz, along with my personal friendship with Tal Hermoni, the CEO of CAA Israel, I offered and was asked to lend money from my personal bank account to help pay

CAA Israel worker's salaries: I lent \$50 thousand at least 3 different times as well as \$75,000 that Eldad asked me to lend to CAA Israel in his name until certain funds would be released from one his investments. The fact that these loans were given with no hesitation is a sign of the close relationship these companies had and my personal desire to help CAA Israel's workers when the company was having serious cash flow issues. These losses were not due to anything done by CAA USA, which had begun sending increased money back to CAA Israel as the result of CAA USA's successful marketing of CAA products. Moshe controlled the bank accounts in Israel and no money over a few thousand dollars could be paid or wired without Moshe's signature. Unfortunately, he did not need mine or any CEO's signature to move any amount he saw fit. I tried during 2014-2015 multiple times to call board of directors' meetings, which was never held on a regular basis before or after my tenure, to try to get the company to work with more organization, but it was his show and he did what he wanted. All of the 4 board of directors meetings I did as CEO were prior to him selling 51% of the companies, and most of those board of directors meetings involved Moshe yelling at his younger brother Eldad for the lack of sales in CAA USA.

24. In May 2018, unfortunately the CEO of CAA Israel, Tal Hermoni, decided to quit as CEO because of actions of Moshe Oz (see attached declaration) . When Tal told me of his intentions to quit, I pleaded with him to rethink his decision (even though I had firsthand knowledge of what he was going through and how difficult it is to work with Moshe), knowing full well what Moshe Oz would do if he were to take over, and that his goal was to drive our USA employees to the unemployment line. Unfortunately, my foreboding came true. This was the beginning of the end of the cooperative relationship because Moshe Oz attempted to appoint himself CEO of CAA Israel (without the approval of the board of directors or the majority

shareholder). Immediately after taking over the operations, Moshe Oz showed his true intention of trying to close CAA USA by bypassing our exclusive distributing agreement and selling CAA products directly to the US. This exclusivity was incredibly important to CAA USA as well as the brand because it allowed CAA USA to control market price and build a fair playing field for all of CAA USA's customers. In the United States, resellers are required to adhere to a MAP (minimum advertised price), which is a minimum price that resellers agree not to advertise below. A MAP is crucial for all resellers in order to keep the playing field level. CAA had an established MAP for its products, and CAA USA adhered to it. However, immediately after he took over operations from Tal Hermoni, Moshe Oz began selling CAA product, Micro Roni Stabilizer, to an Israeli internet company called YRS. YRS in turn immediately advertised the CAA Micro Roni stabilizer at a price substantially below MAP and in some cases even below dealer/distributor prices. This improper discounting effectively destroyed CAA USA because our customers saw that we could not protect MAP and that there was an Israeli company destroying the brand by undercutting everyone's prices. They in turn returned product to us, valued in excess of \$150,000 because they could no longer sell the Micro Roni Stabilizer at a price on which their dealers could earn a profit because all the margins were killed by YRS and its improper discounting.

25. Further to Moshe Oz's scheme to force CAA USA to close, Moshe Oz also immediately, on day one, changed the payment terms for CAA USA from Net45 (i.e., payment due 45 days after product shipped) to 100 % payment up front. The absurdity of this action was that he and his brother Eldad had created the Net45 because of how the US market works. It takes time for product to be shipped from Israel to the USA, go through customs, arrive in our facility, be packed and shipped to our customers and then to receive payment from them, which

is normally Net30. So, by changing unilaterally the payment terms without even a discussion, he knew that CAA USA could not function with regards to cash flow under his new rule.

26. CAA USA was not the only victim of Moshe Oz's scheme to bypass exclusive distributors and attempt to sell into markets directly. Moshe Oz did the same exact thing to CAA Israel's exclusive European agent – Red Rock. Red Rock Dec.

27. To make matters worse still, Moshe Oz also began violating the SB Tactical licensing agreement. As correctly noted in Moshe Oz's Declaration, by 2017, and largely as a result of my team's marketing efforts at CAA USA, the CAA Micro Roni Stabilizer had become CAA's largest selling product. CAA had previously manufactured and sold another pistol carbine conversion kit, the Roni, but it never sold well in the US, due in part to the fact that it was subject to NFA (National Firearms Act) regulations which made it expensive and required a lengthy wait period. The newer Micro Roni conversion kit is smaller and less expensive than the Roni. The best-selling Micro Roni kit, amounting to the vast majority of sales of CAA products in the US, is the Micro Roni Stabilizer. Crucial to its design, it includes an arm brace patented by a company called SB Tactical (NST Global, LLC dba SB Tactical). SB Tactical had previously licensed the use of its brace to both CAA USA and CAA Israel, in return for royalty payments on sales. Ex.6. Moshe Oz caused CAA Israel to cease paying the required royalties, which led SB Tactical to terminate that licensing agreement. Ex.7. At this point, CAA USA is the only company licensed by SB Tactical to sell products utilizing its arm brace. Ex. 8. SB Tactical has requested that its distributors and retail partners: "Please notify us if any Roni or Micro Roni Stabilizers coming from companies like YRS Inc., CAA Industries (Israel) and Jay Technology as they are unauthorized sellers of the product." Accordingly, after the termination of the SB Tactical licensing agreement, CAA Israel cannot legally sell the Micro Roni Stabilizer

(or the Roni Stabilizer, which has only minor sales anyway) in the US, effectively removing CAA Israel as a seller to the US market. On the other hand, CAA USA is the only seller that can lawfully sell Micro Roni Stabilizer kits or any other handgun conversion kit with the SB Tactical stabilizer. To be clear: CAA Israel is arguing to the Court that it is losing sales of its Micro Roni product because CAA USA is selling a product, but CAA Israel is not losing any sales because of CAA USA but because it cannot legally sell its product! (Even though it is unlawful CAA Israel continues to sell its Micro Roni Stabilizer in the USA).

28. Moshe Oz also takes the position (Oz Declaration ¶ 38) that CAA USA's MCK conversion kit does not include a trigger guard, which he says "makes it far less safe than the Micro Roni conversion kit." He has also been disparaging CAA USA's product by sending false statements to the industry. Ex. 9 and 10. Moshe Oz's claim that the MCK conversion kit is unsafe is simply false. While he is correct that the Roni conversion kits have a plastic, sliding trigger guard, that trigger guard is unnecessary. This is illustrated by an examination of the most popular handgun in the world, Glock. The Glock, along with many other popular handguns, has no external safety switch, but rather a built-in, internal safety that prevents the firearm from firing unless the trigger is pulled. Because the MCK conversion kit is only an accessory for use with separately manufactured handguns, like the Glock, the MCK kit can safely rely on the safety mechanism designed and utilized by the gun's manufacturer. There is no need to add an additional safety for using that same handgun with the MCK conversion kit.

29. While the CAA Roni conversion kits do contain a separate, external trigger cover, that trigger cover is unnecessary from a safety standpoint. I believe that Moshe Oz added the trigger cover to the Roni in order to be granted the US patent, which had been rejected before the addition of that trigger cover.

30. In its Motion for Preliminary Injunction, CAA Israel argues that the term “Micro” does not refer to size. I do not understand that argument. CAA calls the conversion kit the “Micro Roni” because it is smaller and lighter than the original Roni. We discussed this frequently when we decided on the name including the confusion, I knew it would cause with the word Macoroni.

31. With regard to CAA USA’s supposed use of CAA Israel’s marks, the caagearup.com website uses only the new CAA/Lion Head mark, developed by Dan Alexander & Co. for the benefit of, and the cost of, CAA USA, which has full rights to use that mark. It uses the marks Roni (including Micro Roni) only in connection with selling the inventory of that product which it purchased and paid for from CAA Israel, and which it has the right to resell. CAA USA presently has approximately \$1.815 million (retail sales price) in CAA Israel products in its inventory. It is also using the trade dress that it purchased from CAA Israel only to sell CAA products (and CAA USA paid for its development).

32. To the best of my understanding no patents for the Micro Roni were ever issued during my tenure as CEO of CAA Israel. The only patent filed was for the Roni, which was filed many years before when I was still a soldier in the IDF. The only patents that were filed during my time as CEO were for the Hartman Optics that I developed and named, as well as the alfa patents that Moshe and an engineer named Michal Ben-Oren developed.

33. Moshe Oz claims that CAA Israel has a great reputation in the industry for quality. As I noted before, Moshe Oz and therefore CAA Israel has a terrible reputation in industry in general. As for the quality of CAA Israel products, CAA Israel has extensive quality control problems since the second half of 2018. As set forth in declaration of Red Rock, that European distributor had to return approximately \$150,000 of defective CAA Israel products.

Red Rock Dec. We also have extensive quality control problems with CAA Israel products. At present, we have approximately \$200,000 in defective CAA Israel products that we are unable to sell. See Ex. 11 (photos showing inventory). I have countless text messages that show the lack of quality control and embarrassing state of product sent from Israel to the USA in the second half of 2018 .

34. By contrast, CAA USA has earned an excellent reputation for both quality control and customer service. Ex. 12.


35. Contrary to Moshe Oz's contention that he is a respected industry leader, the reality is that he is poor business manager who drives away employees (the CEO of Inject Asher Weizman also quit shortly after Moshe appointed himself CEO) fails to pay vendors, breaches contracts, has no respect for patent rights, and has left untold carnage in his wake. Moshe is a minority shareholder in CAA Israel and without the approval of the board of directors or the majority shareholders filed a lawsuit against a company that in which he is also a minority shareholder in, while at the same time violating SB Tactical's patent.

36. On a personal note I have been the CEO of CAA Israel (2014--December of 2016) as well as CEO of CAA USA (Jan 2016 – present) for a total 5 and a half years. I have received multiple raises and bonuses during these years because of my production (including every year of my 5.5 year tenure as CEO) . My family and I relocated to the USA branch (and the company paid for relocation) and was given a raise compared to my salary in Israel. My CAA USA contract, signed by all the owners of both companies, established a bonus structure which stated that if I reached the goal of \$4 million in sales I would receive a \$25 thousand bonus. This was an extremely challenging goal because the company had \$2.7 million in sales in 2016 and a jump to \$4 million was a big one. Fortunately with a lot of hard work in creating

the Micro Roni brand awareness and marketing correctly, we as a company were able to hit those sales goals in each of my first 2 years in the company(2017 and 2018). I personally was very proud of our tremendous success in 2017 and 2018. My contract also stated that if we at CAA USA got to \$5 million in sales I would receive an additional yearly bonus. We were on track to bypass \$5 million easily when Moshe Oz took over in May of 2018 because we had our best first quarter in our company's history but unfortunately Moshe Oz's action in bypassing CAA USA caused us to have a terrible last quarter of 2018, and we finished with \$4.83 million in sales. Effectively Moshe Oz prevented us from reaching our company's full potential. CAA Israel and YRS made a lot of money because of the marketing that I created at CAA USA. No one knew what a Micro Roni was before I took over the marketing. YRS even put viral videos of me promoting the Micro Roni on their website to help them increase their illegal sales in the USA. Moshe Oz should thank CAA USA for all the brand awareness we created for the product he now sells all over the world instead of this baseless and unauthorized legal action he has taken.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 9/10/2019 (date)


MICHAEL HARTMAN